

## Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
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P R 230811Z APR 75  
FM AMEMBASSY JAKARTA  
TO USDOC WASHDC PRIORITY  
INFO AMEMBASSY SINGAPORE  
SECSTATE WASHDC 7727

UNCLAS JAKARTA 4803

COMMERCE FOR BIC/OIM/MRD - SINGAPORE FOR TRADE CENTER - LEONARD

E.O. 11652: N/A  
TAGS: BBSR ID  
SUBJ: GLOBAL MARKET RESEARCH: ELECTRIC ENERGY  
SYSTEMS SURVEY - INDONESIA

REF: STATE A-816

1. EMBASSY INVITED NINE JAKARTA COMPANIES TO ATTEND  
MARCH 26 MEETING TO DISCUSS POST'S INTEREST IN OBTAINING  
BID PROPOSALS FOR ELECTRIC ENERGY SYSTEMS MARKET SURVEY.  
TWELVE BUSINESSMEN REPRESENTING SIX INVITED COMPANIES  
ATTENDED. FOUR THESE COMPANIES SUBMITTED BID PROPOSALS,  
COPIES OF WHICH WERE SENT BY AIR POUCH AND APO APRIL 17  
TO BIC/OIM/MRD. FOLLOWING IS SUMMARY OF POINTS REQUESTED  
IN REFTEL:

2. AMYTHAS EXPERTS & ASSOCIATES P.T. (ESTABLISHED 1971)

(A) SURVEY TO BE CONDUCTED IN INDONESIA ONLY

(B) COST - \$18973

(C) MINIMUM OF 24 INTERVIEWS

(D) HAS PREVIOUSLY PREPARED SURVEYS OF (1) JAVA POWER  
SYSTEM DEVELOPMENT; (2) MAKASSAR ELECTRICITY SYSTEM  
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DEVELOPMENT; (3) ELECTRICITY SYSTEM DEVELOPMENT

IN SAMARINDA; AND (4) ELECTRIC POWER DEMAND AND SUPPLY IN ACEH.

3. NUSA CONSULTANTS (ESTABLISHED 1969)

(A) SURVEY TO BE CONDUCTED IN INDONESIA ONLY

(B) COST - APPROX \$44,119

(C) 44 INTERVIEWS

(D) HAS PREVIOUSLY PREPARED MORE THAN 100 SURVEYS AND REPORTS, SOME OF WHICH ARE IN FIELDS CLOSELY RELATED TO ELECTRIC ENERGY SYSTEMS

4. P.T. SGV-UTOMO (LONG ESTABLISHED COMPANY OPERATING IN SEVERAL EAST ASIAN COUNTRIES)

(A) SURVEY TO BE CONDUCTED IN INDONESIA ONLY

(B) COST - APPROX - \$25,000

(C) MINIMUM 48 INTERVIEWS

(D) COMPANY PREPARED PUMPS, VALVES & COMPRESSORS MARKET SURVEY IN INDONESIA FOR COMMERCE DEPT. IN 1970.

5. UNITED ECONOMIC & ENGINEERING CONSULTANTS LTD. (ESTABLISHED 1968)

(A) SURVEY TO BE CONDUCTED IN INDONESIA ONLY

(B) COST - \$12,757

(C) MINIMUM 32 INTERVIEWS

(D) HAS PREVIOUSLY PREPARED MARKET SURVEY ON POWER AND TELECOMMUNICATION CABLES, IN WHICH IT ESTIMATED SIZE OF DOMESTIC MARKET FOR CABLES AND ASSESSED CAPABILITY OF DOMESTIC CABLE MANUFACTURERS TO SATISFY LOCAL DEMAND.

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6. EMBASSY BELIEVES ABOVE-MENTIONED BIDS ARE MUCH TOO HIGH. NUSA CONSULTANTS APPEARS COMPANY BEST QUALIFIED TO UNDERTAKE SURVEY BECAUSE OF ITS EXTENSIVE MARKET RESEARCH EXPERIENCE AND FACT ITS PRESIDENT, PROF. IR. (ENGINEER) P. HARYASUDIRJA, AND OTHER TOP PERSONNEL FORMERLY HELD KEY POSITIONS IN PLN, STATE ELECTRICITY ENTERPRISE, WHICH IS CENTRAL SOURCE FROM WHICH MAJORITY OF DATA NEEDED FOR SURVEY MUST BE OBTAINED.

ABILITY OF RESEARCHER TO GAIN ACCESS TO INFORMATION IN PLN WILL BE OF VITAL IMPORTANCE IN CONDUCT THIS SURVEY. IT WILL BE DIFFICULT FOR FOREIGN MARKET RESEARCH FIRM WITHOUT PREVIOUS CONTACTS IN PLN TO FERRET OUT REQUIRED DATA IN TIME ALLOWED.

7. BEFORE APPROACHING ABOVE-MENTIONED INDONESIAN FIRMS, EMBOFF DISCUSSED THIS MARKET RESEARCH REQUIREMENT WITH WILLIAM SEBASTIAN, AMERICAN MANAGER OF CHARLES T. MAIN INTERNATIONAL INC., AMERICAN ENGINEERING FIRM WHICH HAS WORKED FOR YEARS AS CONSULTANT TO PLN. SEBASTIAN WAS CLEARLY INTERESTED CONDUCTING SURVEY BUT SAID HE WAS MUCH TOO BUSY TO UNDERTAKE TASK. HE STATED HE COULD BRING IN MAN FROM U.S. TO PREPARE IT BUT COST WOULD BE IN \$18,000-20,000 RANGE. WHEN INFORMED THIS AMOUNT WAS FAR GREATER THAN BUDGET ALLOCATION FOR SURVEY, SEBASTIAN RECOMMENDED WE SELECT AN INDONESIAN COMPANY SUCH AS UNITED ECONOMIC & ENGINEERING CONSULTANTS LTD. (UEEC) TO CONDUCT SURVEY AND HE WOULD ASSIST FIRM BY TURNING OVER TO IT ALL DATA HIS OFFICE HAD AVAILABLE ON MARKET FOR ELECTRIC ENERGY SYSTEMS, WHICH HE SAID WAS MOST OF DATA REQUESTED IN BID SPECIFICATIONS.

8. EMBOFF ALSO DISCUSSED PROJECT WITH AMERICAN REPRESENTATIVE OF BLACK & VEATCH WHO LIKE SEBASTIAN IS SERVING AS PLN ENGINEERING CONSULTANT. HE RECOMMENDED EMBASSY CONTRACT WITH NUSA CONSULTANTS FOR SURVEY.

9. HAVING INTERVIEWED MANAGERS OF FOUR FIRMS WHICH SUBMITTED BID PROPOSALS AND REACHED CONCLUSION NUSA CONSULTANTS WAS LIKELY DO BEST JOB FOR EMBASSY, EMBOFF INFORMED HARYASUDIRJA OF SEBASTIAN'S OFFER. HE EXPRESSED INTEREST IN WORKING WITH SEBASTIAN AND IN NEGOTIATING UNCLASSIFIED

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HIS FIRM'S BID DOWNWARD WITH AMOUNT OF REDUCTION DEPENDENT UPON EXTENT OF DATA SEBASTIAN COULD PROVIDE. HOWEVER, HARYASUDIRJA ADMITTED HIS WORK SCHEDULE IS SO FULL AT PRESENT, HE REQUESTED POSTPONEMENT OF SURVEY STARTING DATE UNTIL JULY 1, 1975. FY1, SEBASTIAN IS CURRENTLY VISITING HIS FIRM'S NEW YORK OFFICE 60 E. 42ND ST. TELEPHONE 867-1840 AND WILL RETURN JAKARTA MAY 1. END FYI.

10. EMBASSY PLANS MEET WITH HARYASUDIRJA AND SEBASTIAN TOGETHER BY MAY 2 TO DISCUSS EXTENT OF INFORMATION WHICH COULD BE PROVIDED NUSA CONSULTANTS AND TO DETERMINE IF FIRM WILL PREPARE THE SURVEY FOR \$4,500 - \$5,000. IF HARYASUDIRJA DECLINES OFFER, EMBASSY WILL MAKE SAME OFFER TO UEEC.

1.. EMBASSY REQUESTS COMMERCE DEPARTMENT APPROVAL OF

THIS PLAN OF ACTION.  
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## Message Attributes

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